What is the ratio of Power Services capital expenditure to annual depreciation? Is $200-300 million of depreciation or double?
Power Services invested about $250 million per year in capital expenditure from 2014 through 2017. Over that same time period, its depreciation/amortization expense was $224 to $227 million per year.

There is no exact relationship between annual capital investments and annual depreciation expense. Depreciation is based on assets, or plant, in service. Capital investments in an asset may span several years but depreciation expense does not go into effect until that asset is put into service. In addition, BPA may still have depreciation expense even if there was no capital investment in a year based on the previous investments made in the system. In general, federal hydropower assets have a 75-year life and fish and wildfire assets have a 15-year life.

How is BPA modeling end-of-year financial reserves? Is there documentation that customers can review?
BPA forecasts end-of-year financial reserves for risk for each business line. Power and Transmission Services provide forecasts of revenues and expenses for a fiscal year via income statements. This data, along with accrual to cash (ATC) adjustments, are used to calculate an annual cash flow forecast.

ATC adjustments
ATC adjustments are made in order to translate net revenues into financial reserves. Some revenues and expenses on the income statement do not result in a change in cash, so ATC adjustments must be made to correct for those. An example of this is depreciation expense. Depreciation is an expense included on the income statement that does not result in a cash outflow.

An additional type of ATC adjustment is when transactions occur that affect financial reserves but do not appear on the income statement. An example of this is principal payment to the U.S. Treasury.

Financial reserves calculations
Total business line financial reserves forecast =
      start-of-year total business line + net revenues + ATC adjustments

Reserves for risk forecast =
      start-of-year reserves for risk + (ATC adjustments – reserves not for risk adjustments) + net revenues

Reserves not for risk forecast =
      total business line reserves forecast - reserves for risk forecast